



SCAN STEELS LIMITED

Code of practices and procedures for fair disclosure of UPSI

**CODE OF PRACTICES AND PROCEDURES
FOR FAIR DISCLOSURE OF UNPUBLISHED
PRICE SENSITIVE INFORMATION OF
SCAN STEELS LIMITED
 (“CODE OF FAIR DISCLOSURES”)**

(EFFECTIVE FROM 1ST April, 2019)

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INTRODUCTION

The Securities and Exchange Board of India has promulgated the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 which require that the board of directors of every company, whose securities are listed on a stock exchange, shall formulate and publish on its official website, a code of practices and procedures for fair disclosure of unpublished price sensitive information that it would follow in order to adhere to each of the principles set out in Schedule A to these regulations, without diluting the provisions of the said regulations in any manner.

Accordingly, the Board of Directors of Scan Steels Limited, has approved and adopted the following Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

This Code is made in accordance with Regulation 8(1) read with Regulation 3(2A) and Schedule A of SEBI (Prohibition of Insider Trading) Regulations, 2015, (“the Regulations”) as amended from time to time.

I. PURPOSE

Scan Steels Limited (the “Company “or “Scan Steels”) is committed to providing timely, orderly, consistent and credible material information to the investing public, market analysts, and other third parties to enable them to take informed investment decisions with regard to the Company’s Securities.

The purpose of this Code of Fair Disclosure and Conduct is to state the principles followed for engagement with investors and analysts and to provide clear guidelines and procedures for disclosing material price sensitive information outside the Company in order to provide accurate and timely communications on a broadly disseminated basis to our shareholders and the financial markets. This Code governs communications (including but not limited to written, oral, social media commentary if any.) by our employees, independent contractors and directors with members of the investment community including analysts, institutional and individual stockholders, and others who are not bound to us by a duty of confidentiality and / or do not have a “need to know” the information.

II. CODE OF FAIR DISCLOSURE

The Company is subject to certain obligations regarding the disclosure of information to the public. These obligations are imposed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI Regulations”) as amended, and the listing rules of the exchange on which the Company’s shares trade. Premature or otherwise unauthorized disclosure of material internal information relating to the Company could adversely affect the Company’s ability to meet its disclosure obligations under the SEBI Regulations. In addition, unauthorized disclosure could cause competitive harm to the Company and, in some cases, result in liability for the Company.

This Code requires that, whenever the Company (or a person acting on its behalf) intentionally discloses unpublished price-sensitive Information (also referred to as material non-public information) to certain specified persons (including broker-dealers, analysts and security holders), the Company must simultaneously disseminate the information to the public.

If the Company learns that it (or certain persons acting on its behalf) has unintentionally published price-sensitive information, the Company must publicly disseminate the information promptly and no later than 24 hours after discovering the unintentional disclosure or at the opening of trading on the BSE Limited (“BSE”), whichever is later.

The Company's Chief Compliance Officer, in consultation with and approval of the Company’s Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), shall have the authority to make determinations of materiality and distribution covered by this Code with respect to the information disclosed about the Company. The Chief Compliance Officer or his / her designee, in each case, together with the Company’s Secretarial / Investor Relations

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Department must pre-approve in consultation with the CEO and CFO any deviation from the policies and procedures outlined in this Code. This Code is in line with the Company's Policy for Determining Materiality for Disclosures.

A. WHAT IS MATERIAL NON-PUBLIC INFORMATION OR UNPUBLISHED PRICE- SENSITIVE INFORMATION?

Information should be regarded as “material” and “price-sensitive” if there is a substantial likelihood that a reasonable investor would consider such information important in making a decision to buy, sell, or hold a security or where such information is likely to have a significant effect on the market price of the security. Either positive or negative information may be material.

Materiality must be determined on a case-to-case basis depending on specific facts and circumstances relating to the information / event. The approach for determining materiality will be both qualitative and quantitative criteria which are outlined in this document.

Information is “non-public” or “unpublished” until it has been widely disseminated to the public (through, for example, a filing with the BSE, or a News Paper / Website of the Company) or is accessible to the public on a non-discriminatory basis and the public has had a chance to absorb and evaluate it.

Examples of information that would normally be regarded as “material” include the following, although the list is not exhaustive:

- Financial performance, financial condition, projections or forecasts
- Dividends (both interim and final);
- Known but unannounced future earnings or losses;
- Significant corporate events, such as a pending or proposed acquisition or joint venture;
- Plans to launch new products or product defects that have a significant impact;
- Significant developments involving business relationships with customers, suppliers or other business partners;
- Changes in auditors as per statutory requirement or otherwise or auditor notification that the issuer may no longer rely on an audit report
- Events regarding the Company's securities (such as repurchase plans, stock splits or changes in dividends, changes to the rights of security holders, public or private sales of additional securities or information related to any additional funding);
- Bankruptcies, receiverships or financial liquidity problems;
- Positive or negative developments in outstanding litigation, investigations or regulatory matters with significant impact on financial results;
- Any changes to the Company's Board of Directors or the Company's key managerial personnel and key agreements with them; and
- Any significant changes to the Company's capital structure.

For the purpose of assessing whether a particular transaction or the amounts involved in that transaction are “material”, the following information will also be considered, although the list is not exhaustive:

- Whether the transaction is in the ordinary course of business;
- Whether a related party is involved in the transaction; and
- Whether the transaction is an exit from, or entry into, a significant line of business.

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B. DISCLOSURE REQUIREMENTS

Company personnel should not disclose internal information about the Company with anyone outside the Company, except as required in the performance of regular duties for the Company. When in doubt, one should assume that the information is material and non-public. If employees have any questions as to whether information should be considered “material” or “non-public”, they should consult the Chief Compliance Officer. The only persons authorized to speak on behalf of the Company to securities analysts, broker-dealers, security holders and any other finance industry professionals are the Company's CEO, CFO, Chief Compliance Officer and any other persons authorized from time to time.

At various times, Company's CEO, CFO may designate others (the “Designated Officers”) to speak on behalf of the Company and / or respond to specific inquiries when necessary. While others may be designated from time to time to speak on behalf of the Company, it is essential that the Secretarial / Investor Relations Department and the Chief Compliance Officer have

knowledge of the information being disseminated by those individuals to facilitate the Company's compliance with other applicable legal and regulatory requirements in its external communications. Any person being designated as a “Designated Officer” should be authorized as far as practical in writing or confirmed in writing, soon thereafter a notification to Chief Compliance Officer shall be sent. Chief Compliance Officer shall maintain a list of Designated Officers along with expiration date of the authorization, if any.

The Company shall uniformly & universally disseminate UPSI and avoid selective disclosure. Selective disclosure is always prohibited, if made to any security holder under circumstances in which it is reasonably foreseeable that the security holder would purchase, hold or sell the Company's securities on the basis of the information, then the Company must simultaneously disseminate the information to the public.

C. DISCLOSURE PROCEDURES

Designated Officers should not disclose or discuss material non-public information about the Company with anyone who is or might be a finance industry professional. However, in the event of an inadvertent disclosure, the Designated Officers should notify the CEO, CFO, & Chief Compliance Officer and the Secretarial / Investor Relations Department about the disclosure. If it is determined that the information disclosed or discussed is material and non-public, the information must be disclosed through News Papers/ website of the Company promptly following at the same time as soon as reasonably practicable, but no later than 24 hours, after CEO, CFO, & Chief Compliance Officer and the Secretarial / Investor Relations Department learns of the inadvertent disclosure.

1. DAY-TO-DAY COMMUNICATIONS

Inquiries from analysts, security holders and other finance industry professionals in any department other than the Secretarial / Investor Relations Department and the offices of any of the Designated Officers must be forwarded to the Chief Compliance Officer. Under no circumstances should any attempt be made to handle these inquiries without prior authorization from the CEO, CFO or Chief Compliance Officer.

Planned conversations must include at least one Designated Officers and should, if practicable, include a second person. It should be determined in advance whether it is intended that any material non-public information be disclosed. If so, the material non-public information should be disclosed prior to or simultaneously with the planned conversation by the News Papers/ website of the Company (for which the public must be given adequate advance notice).

2. NEWS PAPER PUBLICATION / WEBSITE

The Company may publish in News Paper or put up on its Website from time to time to disclose information that the management believes is important or of use to the public, whether or not the information is material. The Chief Compliance Officer will designate the appropriate officer to prepare for News Paper publication to be issued by the Company which will be reviewed and approved by the Chief Compliance Officer.

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The Chief Compliance Officer will also designate the “Key Contact” for follow-up inquiries on the matter/Publication.

Alternatively, the Chief Compliance Officer may, at his discretion, determine that the Company’s News Paper publication / website Material represent its sole response to inquiries on the matter.

If a director, member of management or employee of the Company learns of information that causes him or her to believe that a disclosure may have been misleading or inaccurate when made or may no longer be true, such person should report that information to the Chief Compliance Officer or Secretarial / Investor Relations Department.

The CFO, or a Chief Compliance Officer will supervise the transmission of financial information through the appropriate communication channels. These duties may include:

- Transmission of copy of News Paper publication to the stock exchanges.
- Transmission of financial information to the Company’s investment bankers / analysts.
- Disclosing the financial information on Company’s Website.

3. CONTACT WITH FINANCIAL ANALYSTS AND INVESTORS

Direct contact with financial analysts and investors will be limited to the CFO, Chief Compliance Officer, and Designated Officers if any. The Company shall ensure that information shared with analysts and research personnel is not UPSI.

CFO , Chief Compliance Officer and Designated Officers may, subject to the above, discuss the Company’s technology, product and markets, as well as corporate information such as headcount and facilities, provided that such persons shall limit their discussions to the specific areas of interest for which they have

been designated. The CFO, Chief Compliance Officer, and Designated Officers may discuss financial results of operations for completed quarters, following the public disclosure of the results, but shall not disclose any material information regarding non-public results, the Company’s internal projections or other matters.

The Chief Compliance Officer and/or another member of the Secretarial / Investor Relations Department should be present in all such meetings, wherever practical along with the CFO and Designated Officer. The CEO or CFO in consultation with the Chief Compliance Officer may decide to disseminate the information to the general public through News Paper or put up on Website so that members of the investing public will have equal opportunity to access the information.

The Company shall develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on its official website in order to ensure official confirmation and documentation of disclosures made.

The Company has adopted a “silent” period between the twentieth day prior to the last day of any financial period for which results are required to be announced by the Company till the earnings release day. During this period, no representatives of the Company will meet with any analysts and investors to discuss information which is not in the public domain.

4. ANNUAL REPORTS, QUARTERLY REPORTS, COMPANY LITERATURE

The Company will provide an annual report of its financial condition and related business performance in a timely manner following the fiscal year-end. Interim reporting of the Company’s financial and business performance will be provided quarterly between annual reports.

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Adequate advance public notice must be given of any quarterly earnings. Notice shall include a statement with information on date, time and accessibility details which will be posted on the Company's website. Also, a copy of the statement must be provided to the stock exchanges prior to issuance.

A quarterly earnings dissemination must be open to analysts, and the general public.

Auxiliary materials, such as corporate brochures, etc., may be provided as determined appropriate by CFO and Chief Compliance Officer.

- Preparation of such materials will be coordinated by CFO and Chief Compliance Officer.
- All the aforementioned material must be approved by CFO and Chief Compliance Officer.

5. PRESENTATIONS

Company personnel must receive approval by Chief Compliance Officer prior to accepting any speaking or audio-visual engagement. The Chief Compliance Officer / Secretarial or Legal Department must approve the content of such presentations prior to disclosure.

6. HEAD OFFICE AND / OR FACILITIES VISITS AT PLANTS

The Company may conduct visits to its Head Office / Plants and / or tours of its facilities for analysts or investors and take care to avoid opportunities where the visitor might gain material, non-public information in the process. The Chief Compliance Officer or his / her designee, whenever practical, should be present during all visits with analysts, investors and fund managers along with the other Designated Officers.

7. EARNINGS GUIDANCE TO THE MARKETS.

The Company and its employees cannot give revenue / earnings guidance in any form (including "soft" or indirect guidance) in non-public settings. The Company will Publish the quarterly Result as well as put it up on its website to provide general guidance on the financials for the future periods.

The Company should put up on its website to update the market on any material change in the earlier guidance provided by the Company.

Any statements regarding earnings expectations will be limited to, Company's News Paper release if any or publicly available earnings or Company's website data.

Whenever the Company has issued any estimate or comment regarding distributable earnings, earnings or other financial measures no employee other than the Designated Officers will comment on those projections during the quarter.

Analyst reports and earnings models may only be reviewed to correct errors that can be corrected by referring to publicly available, historical, factual information or to correct any mathematical errors. No other analyst feedback or guidance on earnings models may be communicated to an analyst. A written record should be kept of any comments provided on an analyst's report. Such reports must be promptly forwarded to the CFO and Chief Compliance Officer or his or her designee. Any review of an analyst report may only be done after obtaining the express approval of the CFO and Chief Compliance Officer.

8. DISTRIBUTION OF ANALYSTS' REPORTS

No Company employee should distribute (including via a web link) copies of, or refer to, selected analysts' reports to anyone outside the Company without the express approval of the Chief Compliance Officer.

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9. DEALING WITH RUMORS

Rumors concerning the business and affairs of the Company may circulate from time to time. The Company's general policy is not to comment upon such rumors. When it is learned that rumors about the Company are circulating, Chief Compliance Officer or Designated Officers should state only that it is Company policy to not comment on rumors. If the source of the rumor is found to be internal, the Legal Department should be consulted to determine the appropriate response.

10. DETERMINING LEGITIMATE PURPOSES:

i) Legitimate purpose:

The UPSI can be shared as an exception by an Insider for legitimate purposes as per its "Policy for determination of Legitimate Purposes" ("Annexure-A"), provided it is not shared to evade or circumvent the prohibition under the Regulations.

ii) Digital Data Base:

In compliance with Regulation 3 of the Regulations The Compliance Officer under the supervision of Board of the Directors shall maintain names of the persons along with PAN (or any other identifier where PAN is not available) with whom information is shared in a digital database. (Requirement of PAN or any other identifier is not applicable to statutory requisitions). A digital database shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database and non- leakage of UPSI. This database shall be kept confidential.

iii) Performance of Duties:

Performance of duties includes any task or performance that qualifies as a duty under a person's course of employment.

iv) Discharge of legal obligations

Discharge of legal obligations includes situations where a person communicates any unpublished information of a company to an outsider as he is bound by the law.

Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider" for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.

III. MONITOR TRADING

The Company shall adhere to the prescribed standards for code of conduct framed pursuant to Regulation 9(1) read with Schedule B of the Regulations to regulate, monitor and report trading by insiders, designated persons and all other applicable persons and entities.

The trading activity of Company stock will be generally monitored by the Chief Compliance Officer for unusual trading activity. In addition, the Chief Compliance Officer will monitor the financial stories about the Company.

IV. VIOLATION OF THIS CODE

Any violation of this Code by an employee, director or independent contractor of the Company shall be brought to the attention of the Chief Compliance Officer, and may constitute grounds for disciplinary action including and up to termination of services This Code shall be periodically reviewed and updated as and when seems necessary.

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V. AMENDMENT

The Board of Directors of the Company, subject to applicable laws, rules & Regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire Policy with a new Policy.

VI. GENERAL

Words and expressions used but not defined in herein, but defined in the Securities and Exchange Board of India Act, 1992, the SEBI (Prohibition of Insider Trading) Regulations, 2015, Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder and any other applicable provisions, shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory amendment(s), modification(s) or re-enactment(s) thereto, as the case may be.

ANNEXURE-A

POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES

[Pursuant to Regulation 3(2A) of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended by the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2019]

1. PREFACE

This Policy, as a part of "Code of Fair Disclosure" formulated under Regulation 8 of the SEBI (Prohibition of Insider Trading) Regulations 2015 ("the Regulations"), will be known as "Policy for Determination of Legitimate Purposes", hereinafter referred to as the "Policy".

This Policy is prepared in accordance with the amendment introduced by Regulation 3(2)(a) of the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

2. OBJECTIVE

The objective of this Policy is to identify '**Legitimate Purposes**' for performance of duties or discharge of legal obligations, which will be considered as an exception for the purpose of procuring or communicating unpublished price sensitive information ("UPSI") relating to Scan Steels Limited ("the Company" or "SSL") or its listed securities or securities proposed to be listed, if any.

3. APPLICABILITY

This Policy is applicable to the Company and all Insiders.

4. DEFINITIONS

"Legitimate Purposes" Legitimate means anything that is conforming to the laws or rule. Hence, a behavior, which is in conformance to the laws, is a legitimate act. Any act done with acceptable principles of reasoning or is sensible and valid and can said to be a legitimate act The Company shall handle all UPSI on a need-to-know basis in furtherance of legitimate purpose.

The term "legitimate purpose" shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions under SEBI (Prohibition of Insider Trading) Regulations ("**PIT Regulations**") and entering in to a Non-Disclosure Agreement with the Company, so that the recipient maintains the confidentiality of (and not inappropriately use) the material non-public information / UPSI.

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Any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of PIT Regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with PIT Regulations.

The term “Ordinary course of business” shall mean the usual transactions, customs and practices undertaken by the Company to conduct its lawful business operations and activities and includes all such activities which the company can undertake as per its Memorandum & Articles of Association.

Illustrative list of Legitimate Purposes. In following cases, the sharing of UPSI would be considered as having been shared for a Legitimate Purpose:

- (a) Under any proceedings or pursuant to any order of courts or tribunals;

Example: National Company Law Tribunal, National Company Law Appellate Tribunal, Quasi-judicial authority, Other Appellate Tribunals, Arbitration Proceedings, etc.

- (b) For investigation, inquiry or request for information by statutory or governmental authorities or any other administrative body recognized by law;

Example: Any call for information or query received from Ministry of Corporate Affairs, Income Tax Authority, Securities and Exchange Board of India (“SEBI”), Stock Exchanges, Reserve Bank of India, Sectoral Regulatory Body, etc.

- (c) In compliance with applicable laws, regulations, rules and requirements;

Example: Company Law, Securities Law, Income Tax Law, Banking Law, etc.

- (d) Arising out of any contractual obligations entered by the Company set forth in any contract, agreement, arrangement, settlement, understanding or undertaking;

- (e) Sharing the information with intermediaries and fiduciaries such as Auditors, Merchant bankers, lawyers, management consultants, partners, collaborators or other advisors or consultants, valuers, insolvency professionals, business support agents, transaction processing service providers in order to avail professional services from them;

- (f) For the purpose of legal, financial or any other professional advice to be obtained or for accounting or audit or for defense to be prepared for court cases;

- (g) For transactions that would entail an obligation to make an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (‘Takeover Regulations’) where the board of directors of the company is of opinion that sharing of such information is in the best interests of the company.

- (h) For a transaction that does not attract the obligation to make an open offer under the takeover regulations but where the board of directors of the company is of opinion that sharing of such information is in the best interests of the company.

The transaction referred to above may include acquisitions, merger, amalgamations or any other corporate restructuring, seeking advice in relation to legal aspects involved in such transactions including carrying due diligence of Target/ Merging Companies or seeking advice on commercial aspects including structuring or valuation of such transactions;

The information that constitute UPSI needs to be made Generally Available at least two trading days prior to the proposed transaction being effected in such form as it is adequate and fair to cover all relevant and material facts.

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- (i) Sharing financial information for preparation of consolidated financial statements of holding company if any;
- (j) Sharing information with Statutory Auditors, Secretarial Auditors, Internal Auditors or Cost Auditors while obtaining any certificate required for placing any transaction for approval before the Board;
- (k) For all those activities done by the company in furtherance of its objects as listed in its memorandum of association.
- (l) Any other person, including Directors and KMP of the Company with whom UPSI is shared in the ordinary course of business.
- (m) Sharing the relevant UPSI by Company or Promoters for advice, consultation, valuation, fund raising or other intermediation and approvals in relation to the subject matter of a proposed deal/assignment/tie-up/venture/fund raising;
- (n) Sharing the relevant UPSI by Company or Promoters for advice, consultation, transaction support, intermediation and approvals on projects relating to enterprise transformation, strategy, change management, analytics, re-organization, operation improvement, technology and similar domains;
- (o) Sharing the relevant UPSI by Company or Promoters for advice, consultation, transaction support, intermediation and approvals in the process of evaluation of new products, business opportunities and new lines of business;
- (p) Sharing the relevant UPSI by Company or Promoters with business partners essentially to fulfill the terms and conditions of a business contract with a client, vendor, collaborator or lender;
- (q) Sharing the relevant UPSI by Company or Promoters for statutory consolidation requirements or related customary disclosure obligations;

Any person in receipt of UPSI pursuant to a legitimate purpose shall be considered an insider for purposes of the Regulations and shall comply with the Code.

5. SYSTEM AUDIT

There shall be a periodic audit (at least once in a year) to ensure the integrity of the system and the data maintained.

6. COMPLIANCE RESPONSIBILITY

Compliance of this Policy shall be the responsibility of the Compliance Officer, who shall have the power to seek any information or clarification(s) from the Management and Insiders in this regard.

7. AMENDMENT

The Board of Directors of the Company, subject to applicable laws, rules & Regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire Policy with a new Policy.

In any circumstance where the terms of this Policy differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Policy.

This Policy and any subsequent amendment(s) thereto, shall be intimated promptly to the Stock Exchanges, if required, under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and / or SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment(s), re-amendment(s) or re-enactment(s) thereto.
